

In honor of Halloween, I want to take this opportunity to present the some of the scariest Tax facts, proposals, and possibilities: - As of 2001, IRS Regulations contained over 6,752,000 words—a 10% increase since 1995 and over 8 times the total number of words in the King James Bible. - In 2002,... In honor of Halloween, I want to take this opportunity to present the some of the scariest Tax facts, proposals, and possibilities:

- As of 2001, IRS Regulations contained over 6,752,000 words—a 10% increase since 1995 and over 8 times the total number of words in the King James Bible.

- In 2002, businesses spent an estimated 2.75 billion hours complying with the federal tax system—that's the equivalent of 1,000 employees working 40-hour weeks for more than 132 years.

- Democrats are on a crash course to increase taxes on dividends from 15% to 44.2%. If the Democrats have their way, be prepared to see more of your retirement savings whisked away by these increased taxes.

- Essentially every part of Charlie Rangel's (D-NY) "Mother of all Tax Bills" is frightening and bad for America; except of course the repeal of the AMT.

- Democrats have tried three times to triple taxes on tobacco. This is a punitive measure to pay for the introduction of socialized medicine and make it easier for illegal immigrants to get healthcare in the United States.

- **The Phantom Income tax**- Businesses of all sizes and sectors could be required to discontinue the use of LIFO (Last-in-First-Out). They would have eight years to pay the taxes resulting from the forced revaluation of their inventory, even though they would have had no economic income. The income might be phantom, but the \$106 billion in taxes that will be paid and the associated impacts on businesses certainly won't be.

- The scare on Small Business**- First, they will be hit with the 4% surtax on a portion of their income. Second, many of them will lose the Section 199 manufacturing deduction that lowers taxes on their business income. And third, this is happening at the same time as incorporated

businesses get an across-the-board rate cut, making it even tougher for these small business engines of job-creation to compete.